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CB – 375

IV Semester B.Com. (Tourism and Travel Management)

Examination, August/September 2023

(CBCS) (Repeaters) (2021 – 22 and Onwards) TTM

Paper – 4.3 : ADVANCED CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be completely written in **English only**.

SECTION – A

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks. (5×2=10)
- What is Consolidated Balance Sheet ?
 - What is purchase consideration ?
 - State the two forms of Internal Reconstruction.
 - Who is a liquidator ?
 - Who are preferential creditors ?
 - State the various methods of valuation of Human Resource Accounting.



SECTION – B

Answer **any three** from the following. **Each** question carries **five** marks. (3×5=15)

2. X Co. Ltd. went into voluntary liquidation with the following liabilities.

Secured creditors ₹ 80,000 (Security realised by the liquidator ₹ 1,00,000)

Preferential creditors ₹ 24,000

Unsecured creditors ₹ 1,22,000

Liquidation expenses ₹ 1,000

The liquidator is entitled to a remuneration of 3% on amount realised and 1½% on amount paid to unsecured creditors other than preferential creditors. The remaining assets ₹ 1,04,000. Prepare liquidator's statement of account.

P.T.O.



3. Calculate purchase consideration and pass opening entries in the books of purchasing company.

Total assets at book value	₹ 22,00,000
Assets taken at agreed value	₹ 19,00,000
Total Liabilities	₹ 10,00,000
Liabilities not taken over	₹ 4,00,000

Purchase consideration to be discharged in equity shares of ₹10 each.

4. M Ltd. acquired 80% of the shares of N Ltd. on 31-03-2022, on this date, the P/L A/c of N Ltd. showed a credit balance of ₹ 20,000 from the B/S given below, prepare the consolidated B/S.

Liabilities	M Ltd. ₹	N Ltd. ₹	Assets	M Ltd. ₹	N Ltd. ₹
Share Capital (₹ 10 per share)	10,00,000	6,00,000	Sundry assets	8,00,000	7,20,000
P/L A/c	2,00,000	20,000	Investment N Ltd. at cost	4,80,000	—
Creditors	2,00,000	1,80,000	Debtors	1,20,000	80,000
	14,00,000	8,00,000		14,00,000	8,00,000

5. Akash Ltd. resorted to Internal Reconstruction. The scheme is as under :
- 40,000 equity shares of ₹ 10 each fully paid to be converted into 20,000 equity shares of ₹5 each fully paid.
 - 2,000, 12% preference shares of ₹ 100 each fully paid to be converted into 20,000 equity shares of ₹ 5 each, fully paid.
 - 300, 15% debentures of ₹ 1,000 each to be discharged by the issue of 40,000 equity shares of ₹ 5 each fully paid.
 - The amount so available be appropriated to write off the following.

P/L A/c debit balance ₹ 2,00,000, Goodwill ₹ 2,00,000 and Plant and Machinery ₹ 1,50,000.

Pass necessary Journal entries in the books of Akash Ltd.



SECTION – C

Answer **any three** of the following. **Each** question carries **fifteen** marks. (3×15=45)

6. What is Human Resource Accounting ? Explain the different methods of Human Resource Accounting.
7. Given below is the Balance sheet of Successful Ltd. as on 31-03-2022.

Liabilities	₹	Assets	₹
10,000, 8% Preference shares of ₹ 10 each	1,00,000	Goodwill	2,00,000
10,000 equity shares of ₹ 10 each	1,00,000	Buildings	8,000
Creditors	36,000	Plant	10,000
Bank overdraft	40,000	Debtors	2,400
		Stock	44,000
		Preliminary expenses	6,000
		P/L A/c	5,000
		Cash	600
	2,76,000		2,76,000

The following scheme of reconstruction was adopted.

- ₹ 10 Preference shares were to be reduced to an equal number of fully paid shares of ₹ 8 each.
- ₹ 10 equity shares were to be reduced to an equal number of fully paid shares of ₹ 5 each.
- Creditors agreed to forego ₹ 16,000.
- The amount thus available was to be utilised to the nominal assets and the balance if any, to be written off the Goodwill.

Pass necessary Journal entries and prepare Capital Reduction A/c and Reconstructed Balance Sheet.

8. The business of the Amar Ltd. was purchased by Kiran Ltd. The purchase consideration was as follows :
- An payment in cash at ₹ 40 for every share in the Amar Ltd.
 - An exchange of 4 shares in the Kiran Ltd. of ₹ 50 at the Market value of ₹ 80 for every share in the Amar Ltd.

A further payment in Cash of ₹ 110 for every debenture in the Amar Ltd.



The Balance Sheet of Amar Ltd. as on 31-03-2022 was as follows :

Liabilities	₹	Assets	₹
Capital		Buildings	75,000
1,000 shares of ₹ 200 each	2,00,000	Machinery	1,50,000
1,000 debentures of ₹ 100 each	1,00,000	Stock	90,000
Creditors	30,000	Debtors	80,000
Reserves	65,000	Bank	35,000
Workmen's savings Bank A/c	10,000		
P/L A/c	25,000		
	4,30,000		4,30,000

Prepare the necessary Ledger A/cs in the books of Amar Ltd. and Journal entries in the books of Kiran Ltd. under purchase method.

9. Pradeep Ltd. went into voluntary liquidation on 31-03-2022. As at this date, its Balance Sheet was as under :

Liabilities	₹	Assets	₹
12% Preference shares of ₹ 100	4,00,000	Freehold property	5,80,000
20,000 Equity shares of ₹ 10 each fully paid	2,00,000	Plant and Machinery	2,90,000
50,000 Equity shares of ₹ 10 each, ₹ 8 paid	4,00,000	Motor Vehicles	60,000
30,000 Equity shares of ₹ 10 each ₹ 6 paid	1,80,000	Stock	1,90,000
Creditors (including Secured creditors ₹ 60,000 and Preferential creditors ₹ 15,000)	2,20,000	Debtors	1,00,000
		Cash in hand	30,000
		P/L A/c	1,50,000
	14,00,000		14,00,000

Additional information :

- 1) The Preference dividend is in arrears for 2 years and is payable on liquidation.
- 2) The liquidator realises the assets as follows :
Freehold property ₹ 7,00,000; Plant and Machinery ₹ 2,50,000; Motor Vehicles ₹ 40,000; Stock ₹ 1,75,000; Debtors ₹ 80,000.
- 3) The liquidation expenses amounted to ₹ 5,000 and the liquidator is entitled to a remuneration of 3% on assets realised (Excluding cash) and 2% on the amount paid to unsecured creditors including Preferential Creditors.

You are required to prepare liquidator's Final Statement of Account and calculate the final payment per each category of equity share.